Hello,

Thank you for your consideration to have me participate in the meeting. I am including points of discussion that I made during the presentation, so you can refer to them while working on your internal discussion.

- Fitness industry was barely considered
- 3 facilities in my area have shut down in my area as a result, due to CECRA not being implemented properly
- The jobs that the fitness industry brings was not considered at all, considering my own small business provides opportunity for 3 full time employees and 9 independent contractors as trainers.
- Small controllable facilities were lumped into large big-box facilities which made no sense.
- We don't have the multi-million dollar budgets as the larger facilities, however can operate with higher safety and efficiency than them.

<u>1. CECRA / Commercial Rent Eviction moratorium</u>

- Enforced almost 90 days into the pandemic
- As a result, many businesses did not survive during those 90 days and had to close down or were at a risk/threatened to be evicted
- The Premier's "strong words" were clearly not taken seriously until it the moratorium on evictions was made a by-law
- Making the program voluntary and having the onus on the Landlords was a mistake, considering:
    - less than 10% of the planned CECRA applications/funds were utilized, indicating that 90% of landlords refused to participate
- The program should have been directed to tenants via qualifying applications (similar to the CEBA)

Personal experience:

- Attempted to first work with Insurance via the "Lease protection clause" - they got out on a technicality that it would only come into play if someone was infected on the facility and we had to shut down as a result.
    - Had insurance covered this, it would have provided me $50,000 worth of rent protection, which would have alleviated the financial pressure from the CECRA program as my deductible would have been $1,000 only
- Despite being a tenant in good standing for 6 years, paying post dated cheques regularly and never being late, my landlord threatened me 3 times with eviction verbally when requesting leniency & a mutual solution before CECRA was enforced. When it was enforced, they chose to participate in it.
    - My business re-opened on July 27th at 55% returning and new revenue considering people are still hesitant, vs the same time last year. OPEX has increased significantly due to additional cleaning & sanitizing supplies

and on-site PPE to ensure staff and member safety. CEBA is nearly tapped out between utility bills, rent and improvement costs and concerns are there for September 1st rent payments

Recommendations:

- CECRA needs to continue until *at least* December 31st, 2020. Businesses that reopened in Phase 1 or 2 had the benefit of time in recovering lost revenue and having their operations gain traction. For a business that reopened in Phase 3 after being closed for 133 days and starting off with 55% revenue and increased operating costs - consideration should be made for this to reduce further shut down of small businesses who have been treated almost like second class citizens.
- Ideally the CECRA should continue for the same amount of time that the business was shut down for, after point of reopening. Ie. if a business was shut down for 120 days, then after reopening, consideration of CECRA support for 4 months (120 days) should be made
- Insurance companies need forced reform on their policies - considering that in my particular situation, it would have helped more than the CECRA - which in turn would have reduced additional strain to the Government.
- The Commercial Tenancies Act is out-dated and needs to be updated. As a real estate professional, I come across issues all the time. Like the Residential Tenancies Act, there needs to be some checks, balances & limits put into place so the Commercial Landlords don't treat it like the wild-west.

<u>2. CEWS</u>

- Businesses who were fully shut down with no work during that period received no benefit from the CEWS, compared to businesses that were still able to perform business in some capacity.

Personal experience:

- Considering our business model does not have another avenue for remote revenue, all employees were temporarily laid off
- During prep for reopening, considering that most of the CEBA was used for bill payments, cost of equipment and rent, employees were kind enough to assist pro-bono, understanding that there were not enough funds to pay them and to survive the pandemic

Recommendations:

- Like the CECRA, the CEWS needs to continue to *at least* December 31st, 2020 without any modifications to the plan, for businesses that opened in later stages. This will ensure businesses have a fighting chance to recover revenue and to start the year off on their own two feet, without having to

    - close down
    - lay off employees
    - sacrifice safety of service
- Ideally the CEWS should continue for the same amount of time that the business was shut down for, after point of reopening. Ie. if a business was shut down for 120 days, then after reopening, consideration of CEWS support for 4 months (120 days) should be made

3. Safety outfitting & increased OPEX

- Increased cost of investment for PPE and sanitizing equipment to continue conducting business, even at a reduced capacity

Personal experience:

- Increased sanitizing stations, wipedown stations, touchless faucets, special chemicals is costing us an increase of $2,000 per month in operating costs
- Initial capital expense was $3500 for installing the above improvements

Recommendations:

- For businesses that are adhering to the safe practices, some sort of concession or subsidy should be considered for installing PPE type equipment and operating costs

If you would like to discuss further, I'd be more than happy to do so via phone, zoom or email.

Thank you again for your time.

Jay Rana

Owner/Director
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